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RUEHC/SECSTATE WASHDC PRIORITY 3617
RUEHC/DEPT OF LABOR WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASH DC PRIORITY
INFO RUEHBO/AMEMBASSY BOGOTA 4269
RUEHCV/AMEMBASSY CARACAS 0077
RUEHLP/AMEMBASSY LA PAZ JAN PANAMA 0807
RUEHQT/AMEMBASSY QUITO 0939
RUEHSG/AMEMBASSY SANTIAGO 1052
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC
RHMFIUU/DEPT OF ENERGY WASHINGTON DC
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC

UNCLAS LIMA 000129

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USTR FOR EISSENSTAT, HARMAN, CARILLO
COMMERCE FOR BASTIEN, MCAMERON
TREASURY FOR JEWELL, SHWARZMAN

E.O. 12958: N/A
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SUBJECT: PERU FURTHER REORGANIZES TRADE TEAM; EX-MINISTER
BACK IN

REF: LIMA 4771

1. (SBU) SUMMARY. On January 11, Trade Minister Mercedes Araoz named Toledo Administration official and textile executive David Lemor as her ministry's special representative based in Washington to work on Peru's lobbying effort for the Peru Trade Promotion Agreement (PTPA). Lemor, a dynamic former Minister of Production and Trade under the Toledo Administration, is well known to Washington agencies as he participated in the PTPA negotiations. Araoz also declared that the Trade Ministry would spearhead the GOP's efforts to gain approval of the PTPA in the U.S. Congress. As per reftel, Peru's Ambassador in Washington Felipe Ortiz de Zevallos will lead the GOP's Washington effort, but Araoz and others are counting on Lemor's "dynamism" to help the process. END SUMMARY.

2. (SBU) In a press release, Minister Araoz stated her belief that Lemor would strengthen the Peruvian effort, and that the process of achieving ratification involved teamwork. An Araoz advisor told us that Lemor had a solid track record, and that the Washington effort would benefit from his energetic style. Lemor has been vocal about his intentions regarding Peru's lobbying efforts for the PTPA, stating that he wants the PTPA on the U.S. Congress's agenda for the first quarter of 2007. With that in mind, he says he will work to gain the support of Latino groups in the U.S., work closely with Ways and Means Chairman Charlie Rangel, and coordinate with union organizations in the U.S. and Peru. In a recent column, he said he intended to work closely with the U.S. Congress and Administration to develop a labor side letter that satisfies Democrats and does not alienate Republicans.

3. (U) Araoz also said that renowned economist Hernando de Soto would continue as the President's envoy, and that Lemor would "support (de Soto's) work." De Soto has stated publicly that he would be focusing his efforts on the "internal FTA." The "TLC hacia adentro" (in Spanish) will be based on de Soto's published work, stressing the importance of land and property titling, reducing bureaucracy and needless paperwork, and encouraging economic freedom. (Note: de Soto has not yet announced the details of his program.)

¶4. (SBU) Reaction among those in the business community has been positive. Privately, many businessmen are thrilled that the job is now in the hands of a former businessman. Samuel Gleiser, president of the Lima Chamber of Commerce said he believed Lemor would do an excellent job. Eduardo Farah, president of the National Industrial Society (SNI), said Lemor's presence would provide "a major impetus" for the GOP's team.

¶5. (U) Araoz also announced the establishment of a Permanent Committee that will coordinate the free trade agreement process through weekly meetings and will be integrated with the efforts of the Peruvian Embassy in Washington and technical staff in the Ministries of Trade and Foreign Relations. The GOP, according to Araoz, will also continue to retain their Washington lobbyists and consultants including the law firm of Patton Boggs.

¶6. (U) Born in Lima, Lemor graduated as an industrial engineer from North Carolina State University in 1976. He then launched a successful career in the textile industry. In the 1990s, Lemor participated in various trade organizations, became a director of SNI, and later was a member of the Peruvian Export Promotion Agency (PROMPEX) and the National Strategic Plan for Exporting (PENX). His track record shows that he is not averse to supporting anti-dumping measures. In the Toledo Administration, he was Minister of Production and Trade and served as Vice President of the National Council of Competitiveness and as an able member of Peru's negotiating team for the PTPA. During his service to the Toledo Administration, he enjoyed good relations with the former housing minister, Carlos Bruce, who is now Chairman of

the Congressional Trade Committee.

COMMENT

¶7. (SBU) Lemor will play an important role in energizing and better focusing Peru's lobbying efforts in Washington. His engaging personality is probably better suited to the style of Washington lobbying, and his trade and business background are plusses. His appointment is all the more encouraging since it shows that Araoz overcame some personal difficulties with Lemor for the good of the country in selecting him. Araoz worked for Lemor in 2005, and was asked to resign when Lemor changed his team.

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